

State of Washington

Roadmap for Financial and Administrative Policies, Processes and Systems

Advisory Group Working Session



December 28, 2005

Today's agenda

	Agenda item	Presenter	Time
1	Welcome	Sadie Rodriguez-Hawkins	10 min
2	12/5 Executive Sponsor meeting briefing	Kathy Rosmond	15 min
3	Grants/Contracts modeling update	Robin Madsen / Susan Dodson	45 min
4	Vendor, procurement, and payables management modeling	Robin Madsen / Kathy Rosmond	45 min
5	Next steps / process check	Kathy Rosmond	5 min

Project Update

12/5 Executive Sponsor meeting agenda:

1. *Roadmap* October/November accomplishments
2. Expense Reimbursement pilot project practical application
3. Recommended scope and schedule for January-August business modeling


Decision request - Approve (or not) the recommended scope and schedule for remaining Roadmap modeling

4. Current *Roadmap* issues
5. Sterling Associates QA report
6. Future discussion topics

Project Update

12/5 Executive Sponsor meeting results:

- Heightened awareness of *Roadmap* and their roles as executive sponsors
- Questions about enterprise projects – who is making enterprise decisions?
- Requested special meeting to develop principles-based decision making framework for executive sponsors
 - Meeting planned for January 13
 - Will use framework to make decisions about the schedule and scope of next phase of modeling



Proposed *Roadmap* Phase 2 modeling scope presented to executive sponsors

Business processes to be modeled

Grant / Contract Management

Procurement Management

Encumbrance Management

Vendor Registration

Vendor Management

Payables Accounting

Revenue Accounting

General Ledger and Financial Reporting

Processes that will not be modeled at this time

Strategic Planning & Budgeting

Decision Support

Risk Management

Project Management

Cost Accounting

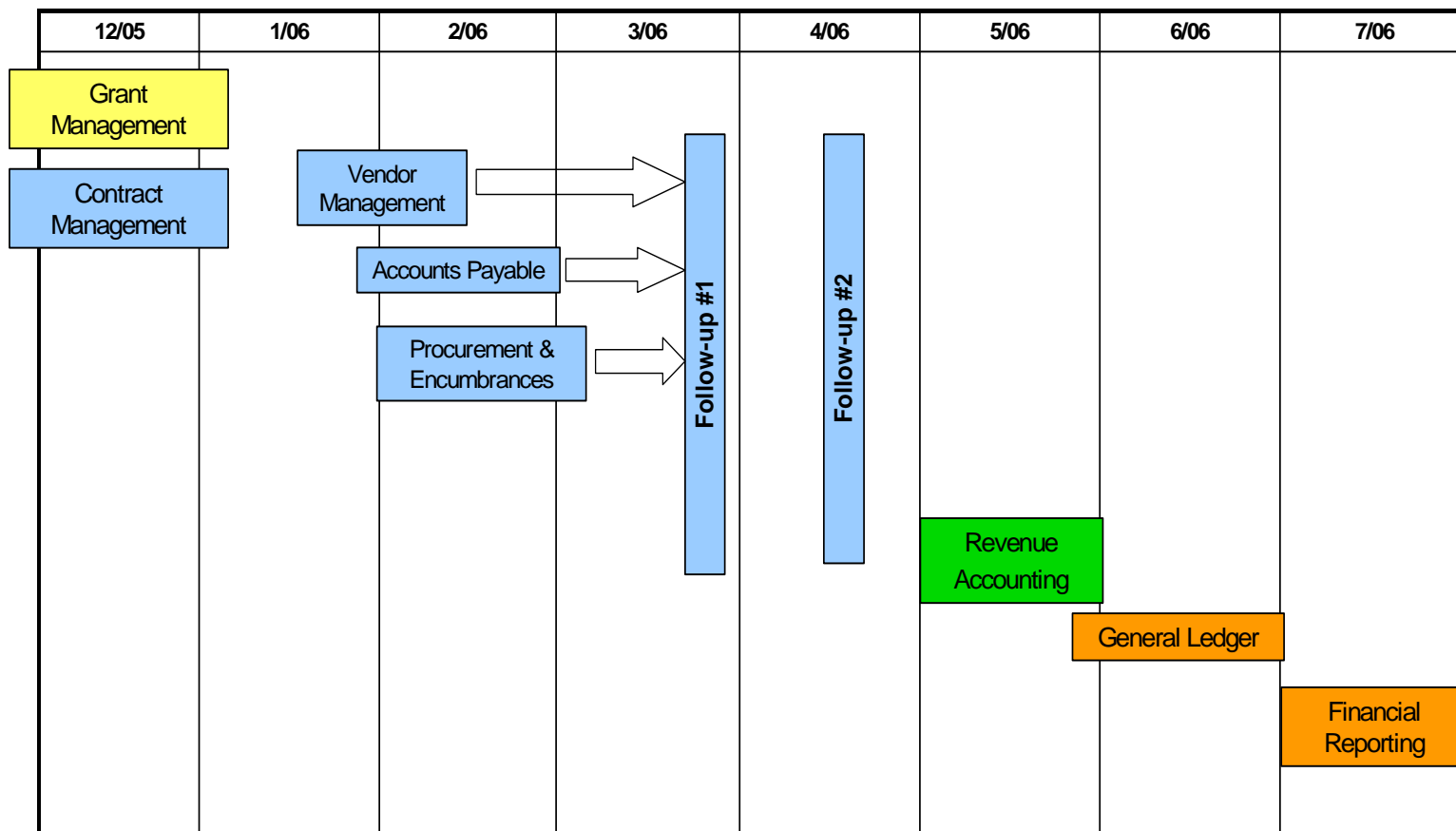
Asset Management

Customer Relationship Management

Treasury Management



Proposed *Roadmap* Phase 2 modeling schedule presented to executive sponsors



Grants/Contracts modeling

- Modeled to support enterprise grants, contracts & loans project
- Contract management needs to support both procurement and grant management – scope is management of all agreements
- Grants management has two processes:
 - Managing grants received by the state
 - Managing subgrants/loans awarded by agencies
- Scope of the current enterprise project is:
 - Subgrant process
 - Contracting functionality to support the awards

Grant management “as-is”

Current challenges

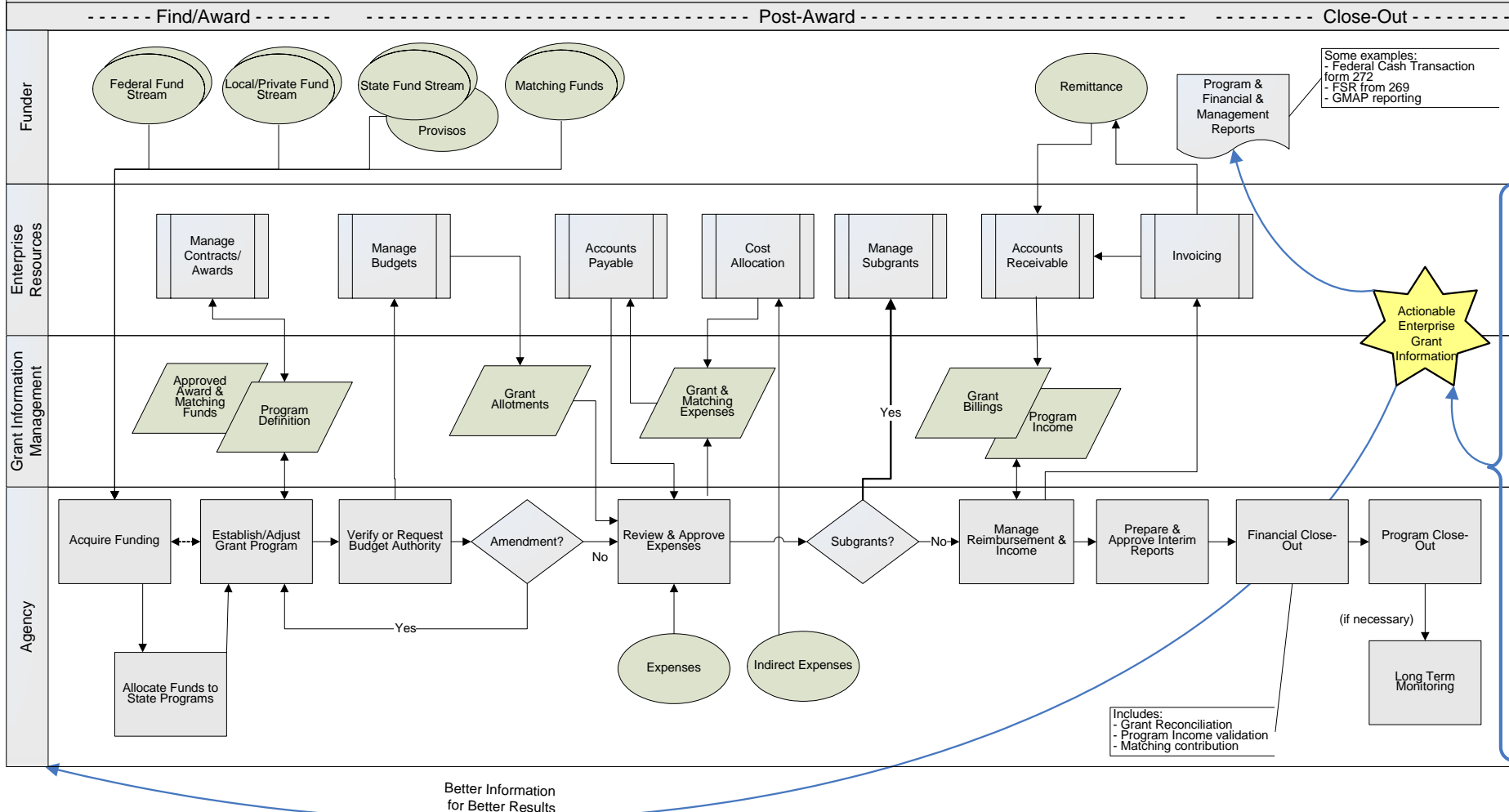
- No enterprise tools
- Too much reliance on agency systems & desktop tools, not integrated with state financial systems
- Primarily paper-based, labor intensive processes for applications, reporting, and payment
 - For both the state and subgrant recipients
- Extensive diversity across agencies and programs
- At the state level, can't tell where the money went

Grant management “could-be” vision

Manage Grants & Loans Could-Be Process *Vision in Progress – No Decisions Have Been Made*

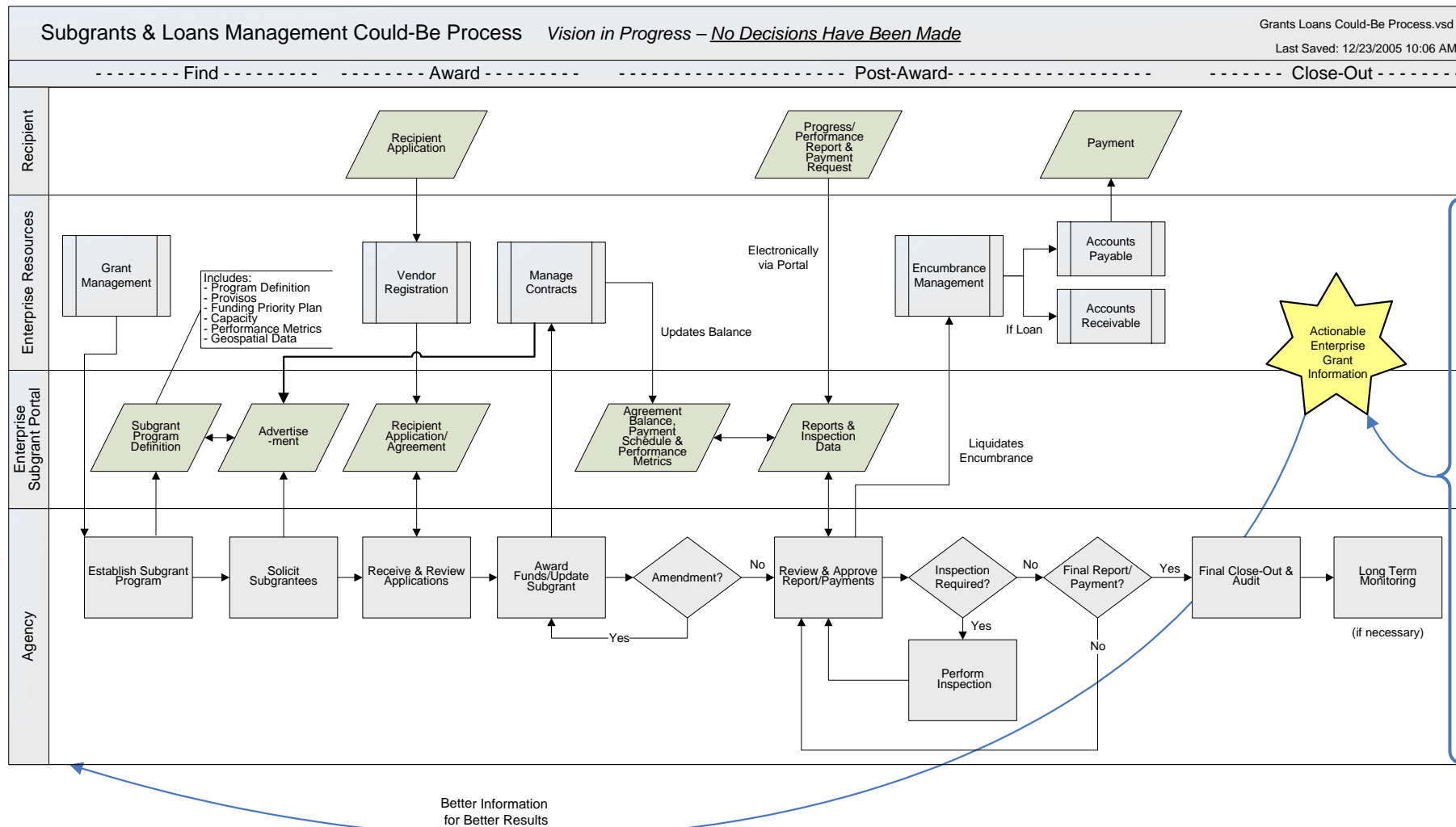
Grants Loans Could-Be Process.vsd

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Subgrant mgmt. “could-be” vision





Grant management “could-be” vision

Features

- Enterprise grant manager “workbench”, integrated with robust enterprise financial systems
- Recipient self-service via shared web portal
- More common application/reporting standards
- Risk-based, business-rule driven review/approval
- Focus on performance measurement & reporting
- Information to improve program service delivery



Grant management “could-be” vision

Value

- Improved coordination across agencies on related programs and shared recipients
- Improved customer service
 - Better access to available funding opportunities
 - Reduced training effort
 - Faster processing of applications and payments
- Rich data to help set future funding priorities
- Ability to demonstrate unmet need
- Focus on service delivery and performance

Grant Management

Proposed key performance measures

- Elapsed time from advertisement to award (by major program)
- Subgrant \$ where state can demonstrate:
 - Who benefited
 - Where benefited (e.g. jurisdiction, legislative district)
 - What was achieved
- Internal process management metrics



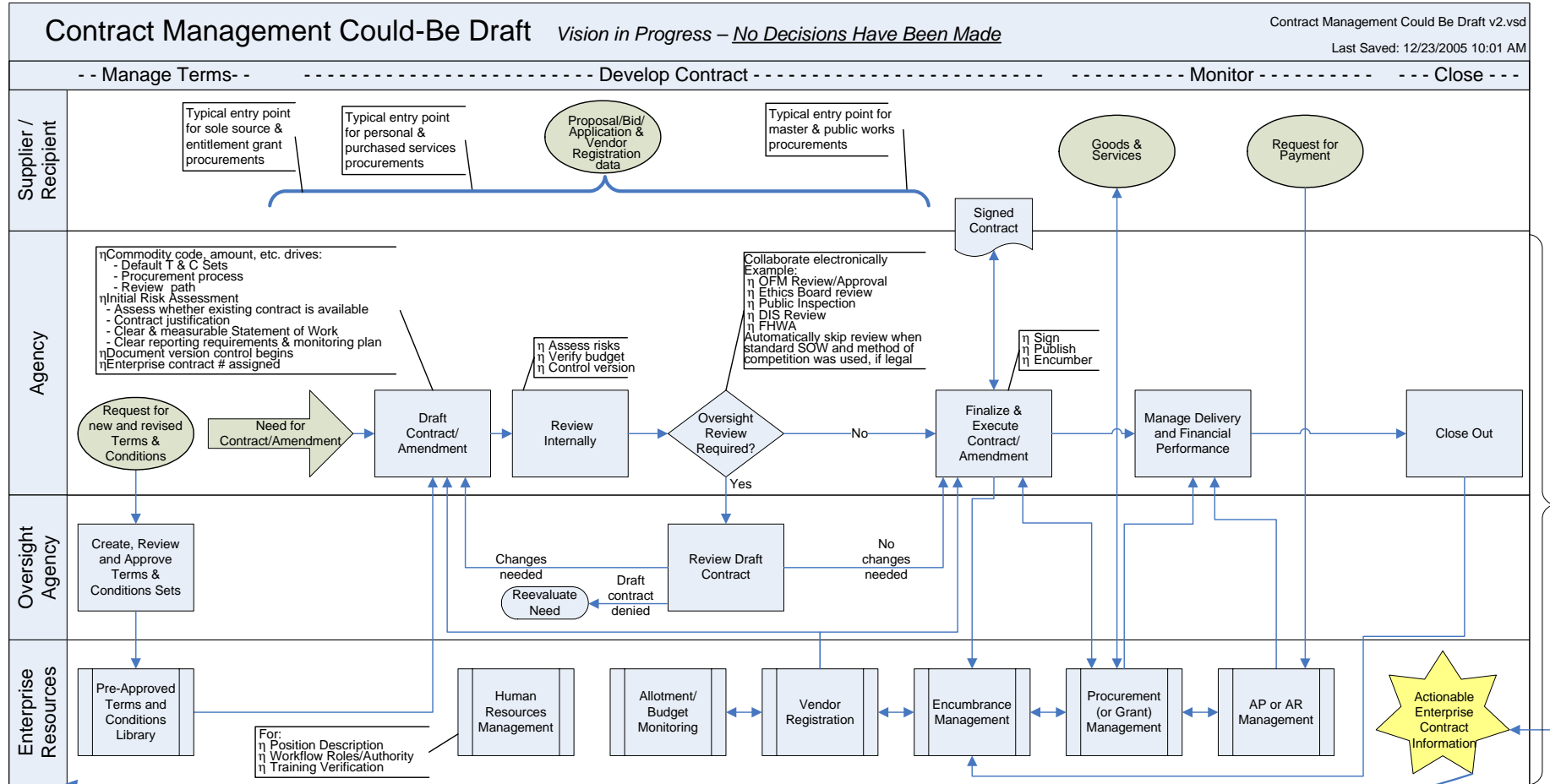
Contract management “as-is”

Current challenges

- High risk area, with lots of audit issues and legislative interest
- Complex rules, regulations and oversight
- No enterprise contract development tools
- No tools for monitoring contract performance
- Can't manage contractors centrally
- Wide variations in contract quality



Contract management "could-be" vision



Better Information
for Better Results



Contract management “Could-be” vision

Features

- Enterprise contract development “wizard”
 - What you’re buying drives contract content and workflow
 - Libraries of standard terms, conditions, SOWs, templates
 - maintained by contract category “owners”
 - Easy collaboration
 - Focus on clear statement of work, with direct ties between money and reporting/performance expectations
 - Business rule and policy enforcement
- Reduced complexity and oversight requirements
- Plain-talk language
- Information to improve program service delivery

Contract management “Could-be” vision

Value

- Faster, better process for grant/project managers, contract offices, and contractors
- Higher quality contracts
- More transparency in the process and data
 - Who is the state contracting with and for what?
- Proactive management of contracts
- Focus on risk management, service delivery, and contractor performance



Contract Management

Key performance measures

- % of contracts in place on or before the service delivery target date
- Internal process management metrics

The value proposition for contracts will be combined with procure to payment processes



Vendor management modeling schedule

*Invitations sent to deputies last week
Please respond by 12/30*

Vendor Registration & Management

Session	Date
As-Is Process	Tuesday, Jan 17 (PM)
Could-Be Process	Thursday, Feb 16 (AM)
Combined Follow-Ups	
#1	Wednesday, Mar 22 (AM)
#2	Thursday, Mar 30 (AM)

Agencies invited to vendor focus group sessions:

- | | |
|------------------------|--------------------|
| General Administration | Corrections |
| Revenue | Transportation |
| DSHS | Secretary of State |
| Financial Management | Personnel |
| Licensing | CTED |





*Invitations sent to deputies last week
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Payables management modeling schedule

Accounts Payable

Session

As-Is Process

Could-Be Process

Combined Follow-Ups

#1

#2

Date

Thursday, Jan 26 (AM))

Wednesday, Mar 1 (AM)

Wednesday, Mar 22 (AM)

Thursday, Mar 30 (AM)

Agencies invited to payables focus group sessions:

General Administration

Revenue

DSHS

Personnel

Labor & Industries

Agriculture

State Patrol

Corrections

Transportation

Financial Management

Lottery

Treasurer

Information Services

Secretary of State





Procurement management modeling update

*Invitations sent to deputies last week
Please respond by 12/30*

Procurement/Supply Chain

Session

As-Is Process

Could-Be Process

Combined Follow-Ups

#1

#2

Date

Tuesday, Jan 31 (PM))

Wednesday, Mar 8 (AM)

Wednesday, Mar 22 (AM)

Thursday, Mar 30 (AM)

Agencies invited to procurement focus group sessions:

General Administration

Revenue

DSHS

Lottery

Treasurer

Corrections

Transportation

Secretary of State

Labor & Industries





Extended agency involvement

- Modeling schedule, meeting materials and draft deliverables are posted on the *Roadmap* site:

<http://www.ofm.wa.gov/roadmap/modeling.htm>

- We welcome comments from all agencies
- Use the *Feedback Form* on the website or call or email Susan Dodson or Kathy Rosmond



January expectations

Tasks	Expectations	Assigned to	Due Date
Model vendor, procurement, payables management business processes and data	<ul style="list-style-type: none"> Participate in business process modeling Phase II Check out the <i>Roadmap</i> Business Process Modeling website http://www.ofm.wa.gov/roadmap/modeling.htm 	Focus groups	Ongoing
		Advisory Group	Ongoing
Develop enterprise architecture strategy	<ul style="list-style-type: none"> Continue developing the enterprise architecture strategy for the <i>Roadmap</i> DIS to hire <i>Roadmap</i> integration architecture consultant 	Enterprise Architecture Steering Committee	1 st Wednesday of each month
Communicate	<ul style="list-style-type: none"> Continue sharing the <i>Roadmap</i> plan and vision with agency managers and staff 	Advisory Group Working Team	Ongoing

Next meeting: Wednesday, January 25 1:30-3:30
OFM Point Plaza West Training Room

Process Check

Suggestions for improvements



***Roadmap* Reference Slides:**

- Integration architecture strategy
- Advisory Group decision making principles



Roadmap Integration Architecture Strategy

The integration architecture strategy will identify standards & guidelines that will allow the state to:

- Implement the *Roadmap* incrementally, with confidence that components will fit together
- Accommodate agency-unique extensions where needed
- Help agencies plan how to integrate their core systems with new *Roadmap* systems over time

The Integration Architecture Steering Committee, jointly sponsored by DIS and the *Roadmap*, is defining the enterprise integration architecture strategy.



Roadmap Advisory Group

Decision-making principles

Natural boundaries principle *Should be designed around natural boundaries (adopted by the ISB November 2004)*

- **Rationale:**
 - Achieving the ability to view state government as a single enterprise requires the ability to effectively integrate systems as needed. Systems with well defined, natural boundaries aid in integration.
- **Implications:**
 - In order to meet its mandate in a timely manner, the state will need to leverage and use all of its available resources including the existing environment.
 - Within the boundaries of an "Information System", tight coupling streamlines business processes.
 - Between "Information Systems", loose coupling allows open, plug and play approach.
 - Requires definitions of what is in and out of scope of statewide "Information Systems".
 - Requires enterprise-level business and data modeling.

Logical Sequence Principle Should sequence projects based on information needs

- **Rationale:**
 - Reduces risk of missing key functionality and rework
 - Captures the data needed for operations and performance management as part of the original transactions
- **Implications:**
 - May have to model lower-value business processes before potentially higher-value processes
- **Examples:**
 - HRMS would have included financial requirements earlier





Roadmap Advisory Group

Decision-making principles

Business Sponsorship Principle Should select projects with business sponsors for significant change

- **Rationale:**
 - Significant process change requires leadership and sponsorship at the highest levels
- **Implications:**
 - We should not proceed with new ideas if a committed business sponsor can't be identified
- **Examples:**
 - Identify business sponsor for using state credit cards for all travel expenses

Value Proposition Principle: Should have a measurable value proposition for change

- **Rationale:**

Difficult to achieve change without a clear business return
- **Implications:**

We should not promote policy, process, systems or information changes without a notable value for the enterprise
- **Example:**

Prioritize process modeling work around valued projects such as TEMS, Enterprise Grants and Loans Management

